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Organizational matters

Report of the second regular session 2011 (6 to 9 September 2011, New York)

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I. Organizational matters

1. The second regular session 2011 of the Executive Board of UNDP, UNFPA and UNOPS was held at the United Nations Headquarters, New York, from 6 to 9 September 2011.

2. The Executive Board approved the agenda and workplan for its second regular session 2011 (DP/2011/L.3) and approved the report of the annual session 2011 (DP/2011/33).

3. The Executive Board agreed to the following schedule of future sessions of the Executive Board in 2012:

First regular session:	30 January to 2 February 2012 (see footnote below*)
Joint meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP:	3 and 6 February 2012 (see footnote below*)
Annual session:	18 to 29 June 2012 (Geneva)
Second regular session:	4 to 7 September 2012

4. The Executive Board adopted decision 2011/31 on welcoming the Republic of South Sudan. Decisions adopted by the Executive Board at the second regular session 2011 were included in document DP/2012/2 available at www.undp.org/execbrd.

UNDP segment

II. Statement by the Administrator and financial, budgetary and administrative matters

5. In her opening remarks to the Executive Board (available on the UNDP website at **http://www.undp.org/execbrd/**), the Administrator expressed her dismay at the attack on United Nations headquarters in Nigeria and commended staff members for their courage and perseverance in tragic circumstances. She thanked the Government of Nigeria and the international community for their support in the wake of the attack.

6. The Administrator began by touching on the urgent development challenges of the day: the worst food security crisis in 20 years unfolding in the Horn of Africa and the first famine of the 21st century afflicting Somalia. She welcomed the birth of the new nation of South Sudan, which had recently been admitted to the United Nations by the General Assembly as the 193rd Member State. She stated that the UNDP office in Juba was becoming a full-fledged country office and that UNDP, at the request of the Government, would develop and present the country's first

* Following the second regular session 2011 and in light of consultations with the Executive Board, the Bureau of the Board agreed to schedule the first regular session 2012 on 1 to 3 February and the joint meeting of the Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP on 30 to 31 January 2012.

country programme document to the Board at the first regular session 2012. In turn, speaking of UNDP assistance in the Arab States during the transition, she highlighted the integrated United Nations response for the post-conflict period in Libya and the need for additional donor support for the approved SURGE plan that would boost UNDP engagement and capacity in the country at that critical time.

7. The Administrator underlined UNDP engagement in a number of internal processes, such as the change agenda, and external processes, such as the Quadrennial Comprehensive Policy Review (QCPR) as elements that would shape its future over the following two years. She outlined in particular the sequence of events leading to the finalization of the next strategic plan 2014-2017. This included the development of a road map and the strengthening of UNDP results frameworks for greater transformational change. She stressed that the strategic plan process would be inclusive, transparent and participatory and would capitalize on imminent important international events and processes, such as the Intergovernmental Conference on Delivering as One in Uruguay, the Fourth High-Level Forum on Aid Effectiveness in Busan, the United Nations Framework Convention on Climate Change Conference in Durban and the Rio+20 United Nations Conference on Sustainable Development set for Brazil in 2012.

8. On the coordination front, the Administrator confirmed the firm commitment of UNDP to leading the United Nations development system toward greater coherence at the global, regional and country levels, to maximize its ability to deliver, measure and communicate results through three entry points in: countries developing new United Nations Development Assistance Frameworks (UNDAFs), the eight Delivering as One pilot countries and the 21 voluntary self-starters, and conflict-afflicted countries.

9. The internal agenda for organizational change, fully aligned with the new UNDP strategic plan 2014-2017, would likewise reinforce organizational effectiveness by revamping UNDP internal decision-making structures, making critical corporate investments and streamlining recruitment processes. The overarching aim was to ensure that UNDP was able to respond to country demands for new products and services and thereby contribute more effectively to development results.

10. The Administrator stated UNDP's unwavering commitment to transparency and accountability for all contributions received. The Board decision to authorize the disclosure of internal audit reports to donor intergovernmental organizations and the Global Fund was an important step forward. As a first step, UNDP would disclose internal audit reports to donor intergovernmental organizations and to the Global Fund via a secure remote access tool online. She underscored her objective as Administrator to see UNDP fully disclosing its internal audits on its website by the end of 2012 while respecting the need for confidentiality safeguards.

11. The Administrator stressed that to continue to fulfil its mandate UNDP required sufficient core resources, which had been steadily decreasing, and encouraged Member States to help UNDP reach its regular resource targets by committing as soon as possible to core resources for 2011 and onwards through multi-year pledges where possible. In 2010, for example, core contributions fell 5 per cent below the 2009 level. While this trend was partially a result of exchange rate movements, the overall reduction forced UNDP to reduce planned core expenditure to avoid drawing on the operational reserve. UNDP was working on an

integrated approach to resource mobilization and scouting out new partnerships for funding.

12. For its part, UNDP was fully committed to exercising fiscal discipline, as reflected in the institutional budget estimates for 2012-2013, which proposed an unprecedented $120.1 million in volume reductions. The proposed budget drew on Board guidance on the mid-term review of the strategic plan and respected the Board decision to approve harmonized approaches for cost classification and results-based budgeting as part of the UNDP, UNFPA and UNICEF move toward an integrated budget. She noted also that UNDP was on target to meet the 1 January 2012 deadline to adopt International Public Sector Accounting Standards (IPSAS). As part of IPSAS adoption, UNDP was presenting changes to its financial rules and regulations for Board approval at the current session.

13. Delegations expressed their condolences for United Nations colleagues and families affected by the attacks on United Nations headquarters in Nigeria and commended staff members for their courage under trying circumstances.

14. Delegations welcomed the new Republic of South Sudan as the newest United Nations Member State and authorized UNDP, UNFPA and UNOPS to proceed with programme development, agreeing to review and approve the draft country programme at the first regular session 2012.

15. Delegations thanked the Administrator for her comprehensive and informative statement and commended her commitment to leading UNDP through its change management. They also expressed appreciation for the Administrator's leadership as chair of the United Nations Development Group and stressed the need for greater harmonization and coherence across the United Nations system while reiterating the importance of national ownership and prioritizing the needs of least developed countries and vulnerable groups. While pleased with its leadership on South-South cooperation, they urged UNDP to step up its engagement with middle-income countries and stressed the importance of reflecting the varying needs of middle income countries when allocating resources and reviewing programming arrangements.

16. Delegations showed their strong support for the UNDP agenda for change, pointing to the importance of management reform, transparency and accountability. The Board decision to authorize the disclosure of internal audit reports to donor intergovernmental organizations and the Global Fund was an important step forward. However, while they accepted the proposal for remote access to internal audit reports on a no objection basis, Board members called for UNDP to move toward full public disclosure of internal audit reports as soon as possible and offered to facilitate this move through additional assistance. They further requested UNDP, UNFPA and UNOPS to present at the next Board meeting a plan with clear targets, taking into account appropriate due process, privacy and safeguards.

17. Concerned that a high number of posts in the Office for Audit and Investigation remained vacant, a number of delegations stressed the need to provide adequate resources and personnel to critical oversight functions in audit, evaluation and ethics and requested more information on how management intended to fill the vacant positions.

18. On the financial and budgetary front, while commending UNDP's efforts to make reductions and institute efficiency measures, donors continued to stress

budgetary discipline and questioned the costs related to implementing the agenda for change. They suggested it was more prudent that those costs be covered through current staffing and funds, especially in light of the current economic crisis.

19. Overall delegations continued to express their concern that the trend of diminishing core resources could become an obstacle to UNDP's ability to fulfil its mandate and recommended intensifying and broadening resource mobilization efforts. Stressing UNDP's central role in leading the United Nations system and managing the Resident Coordinator system, some regretted the reduced allocation of funds to United Nations coordination at the country level and suggested the budget allocation for coordination be maintained at the current level. Others stressed the importance of increasing core contributions in order to maintain ongoing assistance to least developed countries and the most vulnerable groups.

20. Delegations supported the recommendation of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) to keep investments in additional resources under review, as per General Assembly resolution 63/250, in order to determine if there was continued need and requested further clarification in the next institutional budget. Noting that the original cost recovery might no longer be adequate to fund management activities, delegations were pleased it would be revisited in an interagency context as part of discussions on the joint road map for an integrated budget and that Board members would be consulted at an early stage.

21. Delegations endorsed the proposed amendments to the UNDP financial rules and regulations — reflecting IPSAS adoption, new cost classifications under the integrated budget and a new organizational structure and working methods — but requested regular updates on progress of IPSAS implementation beginning with the first regular session 2012. In particular, they requested an overview of IPSAS standards not implemented or considered non-applicable and, if relevant, an implementation plan for the IPSAS standards still not implemented.

22. The Administrator thanked delegations for their comments and offers for additional assistance where applicable. On transparency, she reiterated the hope that Board members would reach a decision on a complete disclosure policy by the end of 2012. She appreciated the concern raised on recruitment of audit staff and clarified that posts had already been filled and recruitment for the rest was in the final stages. The Administrator reconfirmed that UNDP did require dedicated resources of $7 million to implement the organizational change. Recognizing continued concern over core resource levels, she stated that while the non-core/core balance could be better, of more concern was the absolute amount of core, which helped UNDP focus and prioritize. Non-core, she pointed out, often grew in response to countries in special development situations. She noted that UNDP staff were well equipped to adopt IPSAS since they were already undergoing training. In response to a query on revisions to financial regulations, she noted that UNDP did have risk management measures to withhold entitlements for petty cash, adding that UNDP was ready to engage in discussions on the issue if requested. She also stressed that the MDG Fund was an enormous contributor to United Nations country team (UNCT) coordination in a large number of countries, beyond the Delivering as One pilot countries.

23. The Associate Administrator, UNDP, in response to concern about depleting resources for United Nations coordination, explained that the depletion was a result of cost classification and not decreasing resources per se. On cost recovery, in

advance of upcoming discussions, she emphasized that much had already been achieved within the scope of the current framework. On overspending concerns, she noted that the overspending did not occur on regular resources, which actually fell in 2010, and that measures were taken to maintain liquidity. The overspending apparent in the overall figures resulted from UNDP using regular resources for multi-year funding that it already had at its disposal as programme spending continued.

24. The Executive Board adopted decision 2011/32 on UNDP institutional budget estimates for 2012-2013; decision 2011/33 on revision of the UNDP financial rules and regulations; and decision 2011/34 on the annual review of the financial situation, 2010.

III. UNDP country programmes and related matters

25. The Associate Administrator invited delegations to comment on fifteen draft country programme documents (CPDs) and three draft common country programme documents (CCPDs). The directors of the regional bureaux in turn introduced their respective proposed draft country programmes and draft common country programmes.

26. Delegations expressed their satisfaction with the participatory processes evident in the development of the draft documents and their overall alignment with national priorities and national ownership principles. Delegations reiterated the need to ensure the right technical expertise at the country level, as well as for consistent and rigorous results-based reporting and monitoring and evaluation. One delegation, noting the lessons learned and key recommendations for planning and implementing country programmes, suggested that countries need to focus on fewer but more substantive, synergistic programmes that have greater potential for poverty reduction based on realistic budget assumptions.

27. Multiple delegations, strong supporters of Delivering as One, commended countries that chose to embrace the common country programme document option, which they viewed as a tool for greater coherence, tighter alignment with national priorities and strengthening the UNCT ability to respond effectively at the country level. They stressed that, when based on a one plan under one budget, CCPDs could help reinforce the transparency and accountability of the United Nations to all stakeholders.

28. Delegations noted the overall quality of the common country programme documents but requested more analysis in the future on United Nations comparative advantages. Delegations were pleased with the use of a common format among the CCPDs submitted, including for the results frameworks, and welcomed the clear link to the one plans. However, they pointed to a recurring weakness in results frameworks and results-based management overall and strongly encouraged that risk analyses and management be conducted. They also saw the need for better results reporting and encouraged joint monitoring, evaluation and reporting of CCPDs.

29. Delegations reiterated their request for Board members to be involved in the lessons learned process underway in relation to the development of the various common country programme documents that had come to the Board for discussion and/or approval and welcomed UNDP's suggestion to hold an informal consultation

on the process in the following months. One delegation suggested that submitting draft CCPDs at joint sessions of the Boards could ensure a more efficient review and approval process. Another delegation noted that while a central mechanism for approval of Delivering as One, as suggested by the High-level Panel on Coherence, remained an issue, the CCPD was a positive step forward. Another delegation questioned if countries were opting out of the CCPD option owing to onerous procedures and, if so, suggested that the Board could explore ways to facilitate the CCPD process in the future.

30. The Executive Board took note of the comments made on the following fifteen draft country programme documents: (Africa region) Central African Republic, Gambia, Malawi and Mozambique; (Arab region) Algeria and Yemen; (Latin America and the Caribbean region) Brazil, Dominican Republic, Guyana, Panama, Peru and Suriname; (Asia and the Pacific region) Islamic Republic of Iran, Lao People's Democratic Republic and Thailand.

31. The Board took note of the comments made on the three draft common country programme documents for Cape Verde, Papua New Guinea and Viet Nam.

32. The Executive Board took note of the two-year extension of the Fourth Cooperation Framework for South-South Cooperation pursuant to decision 2009/9 and the extensions for the country programmes for Eritrea and the Syrian Arab Republic for a period of one year each, from 1 January 2012 to 31 December 2012.

33. As per decisions 2001/11 and 2006/36, the revised documents would be posted on the Executive Board website six weeks after the discussion at the second regular session and approved at the first regular session in 2012, on a 'no-objection' basis without presentation and discussion, unless at least five or more members had informed the Secretariat in writing.

34. The Executive Board adopted decision 2011/40 on the UNDP and UNFPA draft country programme documents for the Republic of South Sudan, approving the request to present its first draft country programme to the Board for discussion and approval, on an exceptional basis, at its first regular session 2012.

35. The Executive Board approved the following 22 country programmes on a no-objection basis, without presentation or discussion, in accordance with decision 2001/11: (Africa region) Chad, Ethiopia, Gabon, Ghana, Mauritania, Sao Tome and Principe, Senegal, Seychelles and Zimbabwe; (Arab region) Bahrain, Morocco and Saudi Arabia; (Asia and the Pacific region) Bangladesh, Mongolia and the Philippines; (Eastern Europe and Commonwealth of Independent States) Kyrgyzstan, Montenegro and Ukraine; and (Latin America and the Caribbean region) El Salvador, Honduras, Jamaica, and Trinidad and Tobago.

36. The Board approved the one-year extensions of the country programmes for Egypt, Guinea, Haiti, Mauritius, Moldova, Tunisia and the United Arab Emirates.

Assistance to Myanmar

37. The Assistant Administrator and Regional Director for Asia and the Pacific introduced the note on assistance to Myanmar (DP/2011/38). Delegations thanked the Assistant Administrator for his presentation and highlighted the importance of UNDP's presence in the country.

38. Delegations, referring to the 2010 and 2011 independent assessment missions, expressed their concern about the impact and sustainability of the Human Development Initiative (HDI) in Myanmar. Recalling Board decision 2010/30 requesting that UNDP initiate the design of programming activities in Myanmar beginning in 2012, they regretted that further progress had not been possible over the preceding year. The Assistant Administrator responded by referring to ongoing discussions with all partners on the new programme, but emphasizing that more time was needed to obtain consensus that the programme activities for 2013 onwards are in line with Executive Board guidance. Underscoring that the full potential of the Human Development Initiative was not being realized, delegations encouraged UNDP to undertake new activities to enhance the sustainability and effectiveness of the programme while remaining within the scope of the Board mandate.

39. Delegations endorsed the proposed one-year extension of the HDI phase 4 to 2012 and authorized the Administrator to allocate additional resources for the revised period (2008-2012) as requested, noting however that it would be the final bridging extension. They requested that a proposal for new programme activities be presented at the second regular session 2012 and that UNDP consult closely with Board members throughout the drafting process.

40. The Executive Board adopted decision 2011/35 on assistance to Myanmar.

IV. Annual report of the Administrator

41. The Associate Administrator, UNDP, introduced the conference room paper, which also included the road map leading to the UNDP strategic plan 2014-2017 (DP/2011/CRP.5).

42. Multiple delegations appreciated the key milestones and timeframes detailed in the road map in moving toward the new strategic plan for 2014-2017. They appreciated the informal consultations and resulting adjustment to the road map and looked forward to future updates on progress. They highlighted the need to strengthen frameworks that provide strategic focus, programme direction, results-based management and results reporting. They focused on the need to expand the selective coverage of the annual report of the Administrator on the strategic plan to include more outcomes and to strengthen results reporting and indicators to more accurately capture UNDP's contribution to development. In following the road map, delegations encouraged UNDP to foster links between internal and external processes and to keep engaging with the Board and conduct key discussions at the appropriate time so that they link with other major international events taking place in 2012.

43. In response, the Associate Administrator, thanking delegations for their comments, noted that while there was much work ahead and a consensus had been reached on next steps. She welcomed Board engagement in the process, such as during the upcoming workshop on measurements and results chains.

44. The Executive Board adopted decision 2011/36 on the road map for the implementation of decision 2011/14.

UNOPS segment

V. United Nations Office for Project Services

45. The Executive Director, UNOPS, presented for Board approval the UNOPS budget estimates for the biennium 2012-2013 (DP/OPS/2011/5), the annual statistical report on procurement activities of United Nations system organizations for 2010 (DP/OPS/2011/4) and reports of the ACABQ on the UNOPS budget estimates for the biennium 2012-2013 (DP/OPS/2011/6).

46. In his statement, the Executive Director underscored that the budget reflected a strong, focused organization striving to provide it partners with management services that meet world class standards of quality, speed, and cost effectiveness — all aspects that are central to the 2010-2013 strategic plan. The budget described the financial resources UNOPS expected would be available for the following two years and how they would be managed to achieve the goals laid out in the strategic plan. It also set targets to ensure UNOPS retained financial stability.

47. The Executive Director highlighted that financing predictions would be a challenge for the biennium given the funding constraints of UNOPS partners and the 2012 introduction of IPSAS accounting standards. As a result, UNOPS was targeting zero real growth in management resources and zero net revenue for the biennium, as well as a fully replenished operational reserve, which alone represented a significant measure of UNOPS financial sustainability and the viability of its business model. UNOPS would continue to push for increased efficiency, passing savings to partners by further reducing its fees, and enhance transparency and accountability by adopting internationally recognized best practices. He also noted that in 2011 UNOPS would not reach the 2010 record delivery levels and new business as a result of the impact of the financial crisis on partners' budgets.

48. He was pleased to announce that UNOPS was awarded the prestigious ISO 9001 Quality Management Certification, the first United Nations body to do so, and reported that UNOPS was also seeking to sign up to the International Aid Transparency Initiative.

49. He indicated that, at the request of several Board members, the proposed budget included upgrading of the Executive Director post to Under-Secretary-General, reflecting as well the added responsibilities approved by the Board in 2008. The Executive Director outlined the reasons for the upgrade as being: since 1 January 2009 the governance structure has been comprehensively revised with direct reporting by the Executive Director to the Executive Board and to the Secretary-General. In addition, since January 2009, the Secretary-General delegated authority on human resource matters to the Executive Director of UNOPS. Furthermore, beginning in January 2009, UNOPS was authorized to sign direct agreement with host government and appoint its own country representatives. Finally, the name of the Executive Board changed to UNDP/UNFPA/UNOPS in the Executive Board at the first regular session in January 2010, was endorsed by the Economic and Social Council in July 2010 and approved by the General Assembly in its fall session 2010.

50. On the annual statistical report of the United Nations system procurement, the Executive Director underlined that the procurement of goods and services by the United Nations had reached $14.5 billion in 2010, up 5.4 per cent from the previous

year as the United Nations responded to natural disasters, medical emergencies and the global food crisis. The report provided much information on the types of goods and services procured, where they were procured and by whom. The share of procurement from developing countries rose by 2.9 per cent to 57.7 per cent.

51. Delegations thanked the Executive Director for his presentation and congratulated UNOPS on being awarded the International Organization for Standardization (ISO) 9001 Quality Management Certification. Two delegations appreciated the prudence exercised by UNOPS in calculating revenue projections in the context of funding constraints as well as the fee reduction. It was stressed that, given UNOPS' self-financing nature, it was essential that it maintain a sustainable business model. They encouraged UNOPS to continue to reduce costs and increase efficiency to ensure its financial viability. In this regard, one delegation favoured equipping UNOPS with adequate resources to ensure it could continue to address the needs of the most vulnerable countries while highlighting the need to incorporate the Istanbul Programme of Action in the planning of all United Nations funds and programmes. Delegations commended UNOPS for fully replenishing the operational reserve before the agreed deadline and were pleased with its aim to target zero real growth in management resources and zero net revenue for the biennium.

52. Delegations were pleased with the results-based budget and the use of a harmonized framework with other funds and programmes and encouraged UNOPS to continue in the harmonization process. Appreciating the budget breakdown, one delegation requested more information of staff and staff costs and concurred with ACABQ that more information on proposed changes to the organogram was needed. It also noted that 30 per cent of all UNOPS supported projects in 2010 were designed to improve gender equality and the empowerment of women.

53. Delegations expressed their strong support for the upgrading of the Executive Director post to the Under-Secretary-General, particularly in light of UNOPS' extensive global operations and excellent performance in the previous two years.

54. The Executive Director thanked delegations for their constructive comments and their strong show of support and reiterated the importance of the Board's support to UNOPS over the previous two years.

55. The Executive Board adopted decision 2011/37 on the annual statistical report on the procurement activities of United Nations system organizations 2010; and decision 2011/38 on the UNOPS budget estimates for the biennium 2012-2013.

Joint segment

VI. Financial, budgetary and administrative matters

56. On behalf of the organizations, the Assistant Deputy Administrator, Bureau of Management, UNDP, introduced the joint report of UNDP, UNFPA and UNICEF on the preliminary briefing note on progress regarding an integrated budget, further to decisions 2009/22 and 2009/26.

57. In a joint statement, delegations expressed appreciation for the consultative process followed in designing the integrated budget and encouraged management to

use evaluations and programme results as an important basis for allocating resources. They expressed concern that the present cost-recovery approach, developed when the core/non-core balance was different, was outdated. They also regretted the delay in the review of harmonized cost-recovery rates and encouraged UNDP, UNFPA and UNICEF to share outcomes of the review as soon as possible within the context of the road map to an integrated budget, including whether fixed indirect costs should continue to be fully covered by regular resources income derived from cash and investment portfolios and related expenditures.

58. Delegations also cautioned that overdependence on non-core contributions could lead to fragmentation of resource flows and have a negative impact on programme coherence, efficiency, transaction costs and predictability. This in turn can negatively impact organizational effectiveness and the ability to implement Executive Board approved strategic plans.

59. The Assistant Administrator, Bureau of Management, UNDP, thanked delegations for their pertinent comments and continuous and invaluable support on the integrated budget. While a review of cost recovery and the core/non-core imbalance was critical, he emphasized that that was a very complex undertaking which needed to be conducted in a holistic and comprehensive manner in line with the preparations for the new strategic plan and the change initiatives currently under way in UNDP. He recommended that an important step between September and January would be the preparation of a road map leading to the final review of the harmonized cost-recovery rates in consultation with Member States.

60. The Director, Division for Management Services, UNFPA, while endorsing the UNDP comments, added comments on behalf of UNFPA. Noting that the concerns expressed by Member States were understandable, he underscored that the organizations had come a long way on the road map, thanks to the support, guidance and advice of the Executive Board. The organizations had been able to agree on new cost definitions, new cost classifications and the new model of results-based budgeting, which had been presented by UNDP and UNICEF and which UNFPA would use to present its budget to the Board at the first regular session 2012. He concurred that the cost-recovery issue was an important one and noted that the organizations wished to ensure that the methodology currently in use was comprehensively reviewed taking into account the new cost definitions, classifications and business model so that the harmonized rate that was arrived at could be sustained in the longer term. Regarding UNFPA, he emphasized that even currently the income from cost recovery and the income from investments were reflected in the UNFPA budget and financial statements — the entire income was credited to UNFPA core resources and a complete accounting of that income was reflected. He noted that the teams of the three organizations were working together and could commit to deliver to the Board based on the agreed timetable. Concerning pooled funding, he requested the support of the Board in ensuring that the agreed cost-recovery rates would be honoured by all partners, otherwise the pooled funding mechanism would be difficult to practice.

61. The Executive Board took note of the joint UNDP, UNFPA and UNICEF preliminary briefing note on progress regarding an integrated budget.

VII. Follow-up to UNAIDS Programme Coordinating Board meeting

62. The UNFPA Deputy Executive Director (Programme), and the UNDP Director, HIV/AIDS Group, provided a joint overview of UNDP and UNFPA results in implementing the recommendations of the Programme Coordinating Board (PCB) of UNAIDS (DP/2011/40-DP/FPA/2011/12).

63. Numerous delegations, in a joint statement, welcomed the overview of results and suggested that in future reports there should be more information on the budget allocations and deliverables for which UNDP and UNFPA would be responsible through the unified budget, results and accountability framework (UBRAF). They stated that it was critical for UNDP and UNFPA to ensure that their own strategies, performance measurement frameworks — including their respective strategic plans, 2014-2017 — and policies relevant to HIV and AIDS were aligned with the UNAIDS strategy. They recommended that in the interim UNFPA should use the midterm review of the strategic plan as an opportunity to ensure that the resources framework and new guidelines for HIV/AIDS were fully aligned with the UNAIDS strategy. They recommended, in addition, that UNDP update its current corporate strategy on HIV and AIDS to align its 2014-2017 strategic plan with its commitments towards the UNAIDS strategy. In the interest of transparency and accountability for results, the delegations called on UNFPA and UNDP to develop a comprehensive and robust results framework as the basis for reporting progress and achievements in the area of HIV/AIDS. The delegations asked UNDP to include information in future annual reports on coordination at the country level and the role of Resident Coordinators as facilitators for HIV/AIDS efforts in the United Nations system. The delegations noted their appreciation of the PCB as the coordinating body of the UNAIDS family and an important forum for providing policy direction.

64. One delegation underscored its appreciation for UNDP and UNFPA efforts to link the AIDS response with broader health and development efforts with emphases on young people, including innovative ways in which UNDP promoted access to services for HIV-positive persons. The delegation stated that its country's efforts to achieve MDG 6 had been enhanced due to United Nations inter-agency collaboration and had led to a decline in the mortality rate and improved access to psychosocial services. The delegation pointed out that in its country the joint activity of United Nations agencies in the area of AIDS was among the priorities of the UNDP and UNFPA country programmes. Given that Eastern Europe and Central Asia was the only region witnessing a rise in the AIDS epidemic, the delegation called on UNDP, UNFPA and UNAIDS to continue to pay special attention to the region, including with regard to providing technical assistance.

65. The HIV/AIDS Group Leader, UNDP, thanking delegations for their comments, responded that the remarks made in the collective statement were fully consistent with UNDP plans and direction on HIV/AIDS. He welcomed the opportunity to work informally to better understand the level and type of detail the Executive Board was requesting, particularly as compared to that requested by the UNAIDS Executive Board.

66. The UNFPA Deputy Executive Director (Programme) thanked the delegations for their comments and aligned with the UNDP response. She noted that the ongoing work on the UBRAF was used as an input in the midterm review of the UNFPA

strategic plan, 2008-2013, including in revising the development results framework, and efforts had been made to align with the UNAIDS strategy. Furthermore, the Fund's own strategic guidance on HIV and AIDS was being aligned with the UNAIDS strategy. She observed that work continued within the UNAIDS Cosponsor Evaluation Working Group with the UNAIDS secretariat on aligning results frameworks. She underscored that in view of the region's trend, UNFPA was paying special attention to the Eastern Europe and Central Asia region, particularly regarding prevention and establishing indicators.

67. The Executive Board adopted decision 2011/41 on the implementation of the decisions and recommendations of the Programme Coordinating Board of UNAIDS.

VIII. Internal audit and oversight

68. The Administrator, UNDP introduced the joint UNDP, UNFPA and UNOPS proposal for remote viewing of internal audit reports on behalf of the organizations. The Director, Office of Audit and Investigations, UNDP, made a statement on behalf of UNDP, UNFPA and UNOPS.

69. Several delegations, in a joint statement, were pleased with the proposal for remote viewing of audit reports, which they viewed as an important step towards further promoting a culture of accountability and transparency. The remote viewing would greatly facilitate access to audit reports. They requested information on when UNDP, UNFPA and UNOPS would begin remote viewing and looked forward to full and expeditious implementation. However, they saw this as only a first step and called on UNDP, UNFPA and UNOPS to present a plan with clear targets at the first regular session of the Board in January 2012 for full public disclosure of internal audits with appropriate due process and safeguards for privacy.

70. One delegation, while welcoming the envisaged secure remote access to audit information, emphasized that the move toward greater transparency should not hamper the work of the agencies and their internal audit services. It was equally important to ensure that the disclosed content of internal audit reports could not be used for unnecessary politicization of questions related to the country activities of the programmes and funds.

71. In response, the Administrator, UNDP, thanking delegations for their comments, indicated that UNDP was committed to having the remote viewing of internal audit reports up and running by November 2011. With regard to full public disclosure, UNDP would develop a road map on steps for full disclosure of internal audits in close consultation with the other funds and programmes and with delegations and with due regard to issues of confidentiality. Such action, she emphasized, would enhance UNDP, and the United Nations system at large, as a leader in aid and development transparency.

72. The Deputy Director, Division for Oversight Services, UNFPA, stated that UNFPA would be able to make remote viewing available by the end of October 2011. UNFPA was committed to full disclosure but guided by the Executive Board's decisions on the subject. UNFPA would participate actively with UNDP and UNOPS colleagues in a consultative process on full disclosure.

73. The Deputy Executive Director, UNOPS, stated that for quite some time UNOPS had been a strong supporter of full and unconditional transparency of

internal audits and was ready to share all internal audit reports immediately on its website once the Board gave the green light. As a first step in that direction, UNOPS was also prepared, subject to no objection by the Board, to immediately release all internal audit reports that deal with various functional and thematic areas which should be far less sensitive as compared to internal audits of specific country offices.

74. The Executive Board took note of the joint UNDP, UNFPA and UNOPS proposal for the remote viewing of internal audit reports.

UNFPA segment

IX. Statement by the Executive Director and report of the Executive Director on the midterm review of the UNFPA strategic plan, 2008-2013

75. The Executive Director began his statement by extending condolences to those who were injured and to the families of those who had lost their lives in the attack on the United Nations in Abuja, Nigeria. He also conveyed condolences on the bombing incident in New Delhi, India.

76. In his statement the Executive Director focused on the midterm review (MTR) of the UNFPA strategic plan, 2008-2013. He outlined his plans on how to move the recommendations of the MTR forward, including 2012-2013 resources, a road map for implementing the strategic plan, and a Fund-wide communication strategy. He shared highlights from his recent missions to Afghanistan, Bangladesh, Kenya and Panama; and noted the initiatives being undertaken as part of the countdown towards the world population of seven billion. In elaborating on the MTR, he focused on the external environment and context; the strategic vision; the conceptual framework for results, including the development results framework (DRF) and the management results framework (MRF) and cross-cutting issues. The Executive Director announced that this was the last Executive Board session for the two UNFPA Deputy Executive Directors and the Director, Division for Human Resources (DHR), as they would be leaving UNFPA. He thanked them for the tremendous work that they had done. The Executive Director's full statement is available on the UNFPA website at http://www.unfpa.org/public/home/exbrd/pid/8035.

77. Numerous delegations appreciated the insightful and comprehensive statement of the Executive Director and commended his leadership. Several delegations expressed their condolences regarding the loss of life and injuries in the attack in Nigeria. Delegations praised the openness, transparency and inclusiveness of the MTR process and noted that the MTR provided a comprehensive and frank analysis of UNFPA achievements and the key challenges facing the organization. They commended the analytical rigour of the document and welcomed the enhanced focus on maternal health and sexual and reproductive health (SRH) and reproductive rights — clear areas of comparative advantage for UNFPA. They were pleased that UNFPA had used the MTR as an opportunity to sharpen the strategic focus of the Fund and improve the results frameworks. Regarding the area of reproductive health commodities security, the positive results obtained were commended. It was noted

that the Programme of Action of the International Conference on Population and Development (ICPD) was the core of UNFPA work and UNFPA should continue to strengthen its impact in the aforementioned areas as the 2015 Millennium Development Goals (MDGs) target approached, particularly with regard to MDG 5 A and B. Several delegations welcomed the new emphasis on youth and asked for further clarification regarding the Fund's role in addressing the needs of youth and how that fit within the UNFPA mandate.

78. Delegations commended UNFPA on the steps taken to strengthen the results frameworks of the strategic plan, for example, by including measurable outputs and by focusing the frameworks towards key areas of comparative advantage. They underscored the importance of systematic reporting on progress against those results. At the same time, it was recognized that there was still work to be done in the area of results-based management. Regarding the MRF, the inclusion of outputs on improving programme effectiveness and financial management was appreciated. Delegations welcomed the proposed reduction in management costs in the 2012-2013 biennium. UNFPA was commended for making strengthening financial management a priority area for the remainder of the current strategic plan period, including the focus on addressing audit recommendations. Some delegations noted that they would closely monitor the improvements made in the management of nationally executed programmes. Several delegations stated that they would appreciate receiving information about the internal business plan to strengthen delivery of the revised strategic plan and simplification of business processes. They looked forward to receiving regular updates on the implementation of the business plan and the road map, which would guide the development of the new strategic plan. They hoped that the process would be as consultative and transparent as the MTR process.

79. Numerous delegations supported the new approach of integrating the present three focus areas of the organization into one overarching frame. However, they noted that the phrasing was not as clear and strong as they would have liked to see it and they encouraged UNFPA to make improvements when developing the next strategic plan, 2014-2017, including making the goal more measurable by, inter alia, avoiding duplication in wording. One delegation stated that it was important to ensure that the content of the strategic plan was in line with the outcomes of the last session of the Commission on Population and Development and the recent High-level meeting on AIDS. Delegations welcomed the inclusion of humanitarian assistance as a cross-cutting issue and asked that the role of UNFPA in humanitarian settings be spelled out in greater detail. UNFPA was urged to intensify progress on mainstreaming emergency preparedness and response into all relevant work of the organization and it was underscored that humanitarian assistance should continue to be an integral part of the Fund's mandate. It was suggested that an informal meeting could be organized to update the Executive Board on UNFPA efforts to build operational capacity to ensure that reproductive health in crisis settings received the necessary attention, resources and coordination.

80. Numerous delegations appreciated the sharpening of the Fund's strategic focus in the area of gender equality and that it had been done in consultation with UN-Women. They underscored that a division of labour and collaboration with UN-Women and other organizations would promote synergies and help avoid duplication or areas being left out by all organizations. The gender marker would be an important tool for tracking progress. They strongly supported the principle of

avoiding doing everything everywhere, as well as the intention of reducing the number of implementing partners and workplans. They stated that a rights-based approach and gender equality must constitute the backbone of the work of UNFPA. They encouraged UNFPA to include systematic reporting on all cross-cutting issues in the annual reports; further improve the results frameworks to ensure that all outcomes were measuring effects; adopt a more systematic approach to risk assessment and mitigation and elaborate on the issue in future annual reports; and reflect the priorities of the revised strategic plan in the 2012-2013 institutional budget, including ensuring adequate human resources. Regarding the global economic crisis, UNFPA was asked about the impact of the crisis on the resources required for the strategic plan.

81. A number of middle-income countries (MICs) underscored their special needs and stressed that UNFPA must continue its assistance and presence in the MICs. The importance of South-South cooperation and strengthening national capacity was emphasized by a number of delegations including those from the Africa region, who stated that South-South cooperation was an important tool to implement the ICPD goals and the MDGs. One delegation stated that UNFPA should summarize its past successes in the area of population and development as it had a rich experience and comparative advantage. Several delegations stated that UNFPA should pay close attention to the needs and priorities of programme countries and avoid a one-size-fits-all approach. Referring to the Eastern Europe and Central Asia region, one delegation stated that the funds and programmes should locate their regional offices in one country as was the case in the Latin America and the Caribbean region.

82. The delegation of Nigeria thanked all delegations and UNFPA for the condolences that had been expressed.

83. Several delegations thanked the outgoing Deputy Executive Directors and the Director, DHR, for their excellent service to UNFPA.

84. The Executive Director thanked the delegations for their comments and support and their sustained engagement throughout the MTR process. He was glad that they appreciated the Fund's emphasis on country ownership and flexibility, which were particularly important to him, given his many years of work on the ground. He was pleased that a number of delegations had noted the centrality of the diversification of resource mobilization to which he was committed. Concerning the query about the level of ambition in the resource mobilization targets, he noted that the figure in the MTR was below the historical growth trend over the past decade, including during the economic and financial downturn. Referring to the queries pertaining to the Fund's work with youth, he assured the Executive Board that it would be within the UNFPA mandate and would include access to SRH information and services. He concurred with the comments regarding ensuring alignment between the budget and the priorities of the strategic plan. He stated that as noted by some delegations the principle of not doing everything everywhere would have implications for the resource allocation system. The Executive Director agreed that it was important to avoid duplication with UN-Women and UNFPA was off to a good start in that regard though some work remained. Referring to his recent trip to the Horn of Africa, he affirmed the importance of UNFPA work on humanitarian issues and stated that mainstreaming it would make the Fund more effective. He underscored that the human rights approach was fundamental to the work of UNFPA. He added that UNFPA was a leader in the area of United Nations reform

and would continue working with its partners on Delivering as One. He noted that further information on the business plan would be provided in due course. He concluded by thanking the President and the Board members and observed that UNFPA looked forward to deepening its relationship with the Board.

85. The Executive Board adopted decision 2011/39: Midterm review of the UNFPA strategic plan, 2008-2013.

X. UNFPA country programmes and related matters

86. The UNFPA Deputy Executive Director (Programme) provided an overview of the 14 draft country programme documents (CPDs) and the three draft common country programme documents (CCPDs) submitted to the Executive Board for review. The UNFPA Regional Directors for Africa; Arab States; Asia and the Pacific; and Latin America and the Caribbean elaborated on the draft programmes from their respective regions.

87. Numerous delegations appreciated that the draft CPDs had been formulated in close consultation and collaboration with the national authorities and reflected well the country priorities/needs. Cooperation with UNFPA had yielded valuable results over the years. Regarding a few draft CPDs, some donors asked UNFPA to ensure greater harmonization with partners at the country level and not work in isolation. The following delegations took the floor to thank UNFPA for its support: Bangladesh, Brazil, Central African Republic, Chad, Dominican Republic, Gambia, Lao People's Democratic Republic, Malawi, Mozambique, Myanmar, Nigeria, Panama, Peru, Thailand, Viet Nam and Yemen.

88. Some delegations emphasized the need to conduct risk analysis and risk management, including with reference to the draft CCPDs for Papua New Guinea and Viet Nam and the draft CPD for Yemen. While commending the common format of the draft CCPDs, one delegation noted that a central mechanism to approve the CCPDs, as recommended by the High-level Panel on United Nations system-wide coherence, was still lacking. Noting that the CCPDs were a step in the right direction in terms of system-wide coherence and coordination, the delegation encouraged improved risk analysis. Observing that the draft CCPDs had some of the same weaknesses as seen earlier in the Tanzanian CCPD, the delegation urged improvement in the quality of the CCPDs. Several delegations were surprised that UNDP and UNFPA had submitted separate draft CPDs for Mozambique, given the country's Delivering as One approach. They asked if there were ways in which the Executive Board could help overcome barriers to Delivering as One.

89. Numerous delegations acknowledged the engagement and commitment of the Government and the United Nations country team in Viet Nam and commended the quality of the document, including the alignment with the national planning processes and priorities. However, they asked for more analysis on the comparative advantage of the United Nations in relation to other multilateral actors; additional detail on civil society's role; and the fleshing out of the programme management section in the CCPD. The Viet Nam delegation underscored its willingness to share its experiences regarding the CCPD process. Specific comments made by delegations on a number of the draft CPDs and CCPDs will be conveyed by the UNFPA regional offices to the concerned country offices to take into account in finalizing the programmes.

90. The Directors of the UNFPA regional offices thanked the delegations for their support and guidance and assured the Executive Board that the comments on the draft CPDs and CCPDs would be conveyed to the concerned countries.

91. In accordance with decision 2006/36, the Executive Board approved the following 18 programme documents (reviewed earlier at the annual session 2011) on a no-objection basis, without discussion or presentation: Albania, Bangladesh, El Salvador, English-speaking and Dutch-speaking Caribbean countries, Ethiopia, Gabon, Ghana, Honduras, Kyrgyzstan, Lao People's Democratic Republic, Mauritania, Mongolia, Morocco, Philippines, Sao Tome and Principe, Senegal, Ukraine and Zimbabwe.

92. The Executive Board took note of the following 17 draft CPDs and CCPDs and the comments thereon: Algeria, Brazil, Cape Verde, Central African Republic, Chad, Dominican Republic, Gambia, Iran (Islamic Republic of), Malawi, Mozambique, Myanmar, Panama, Papua New Guinea, Peru, Thailand, Viet Nam and Yemen. The Executive Board also took note of three programme extensions for Egypt, Eritrea and the Syrian Arab Republic.

93. The Executive Board adopted decision 2011/40 on UNDP and UNFPA draft CPDs for the Republic of South Sudan. The Board decided that an informal consultation on lessons learned from the CCPD process would be held in October 2011, and an informal or formal item in 2012.

XI. Other matters

Informal briefings, thematic discussions and side events

94. The following informal briefings, thematic discussions and side events took place:

(a) *Informal consultation on UNDP programming arrangements*. The Deputy Assistant Administrator, Bureau of Management, provided an update on the status of programming arrangements. Delegations comments were more forward-looking than anticipated, with a call to discuss programming arrangements in the broader context of what kind of UNDP do Member States wish to see in the future and how do they want UNDP to operate. Several hoped to see greater UNDP engagement in ongoing international processes, including the Rio+20 United Nations Conference on Sustainable Development and the Fourth High-Level Forum on Aid Effectiveness, and offered their support to that end.

(b) *Joint thematic debate on youth*. The Executive Board President chaired the joint thematic debate on youth. The panellists were the UNFPA Deputy Executive Director (Programme); the UNDP Director, Bureau of Development Policy; the UNICEF Deputy Executive Director; a Youth Fellow at UNFPA; the World Health Organization Director, Department of Reproductive Health and Research; and the UNFPA Director, Technical Division. The panellists focused on such issues as making the case for investing in young people; fulfilling the rights and needs of the hardest-to-reach adolescent girls; a comprehensive response to young people's development; meaningful youth participation in policymaking and governance; and the World Health Assembly 2011 resolution on young people and the follow-up strategy for implementation.

(c) *UNFPA special event on Rio+20: population dynamics and sustainable development.* The UNFPA Executive Director chaired the special event on Rio+20: Population dynamics and sustainable development. The panellists were: the Founding Director, Wittgenstein Centre for Demography and Global Human Capital; the Director, Women and Foreign Policy Program, Council on Foreign Relations; and the Minister Plenipotentiary, Permanent Mission of Brazil to the United Nations. There was also a video message from the Executive Director, United Nations Environment Programme. Following introductory remarks by the UNFPA Executive Director, the panellists focused on the following key issues: linkages between population dynamics and sustainable development; policies to address population dynamics within a human rights framework; and preparations for Rio 2012.

(d) UNFPA held a Joint Ministerial/Executive Board working luncheon on reproductive health commodity security.

(e) *Briefing on UNDP preparation for Rio+20.* The Administrator, UNDP, provided an overview of UNDP preparations for the Rio+20 United Nations Conference on Sustainable Development set for June 2012, focusing on the role of the United Nations system in the global development agenda and the synergies between national and global coordination and implementation. Delegations commended UNDP for its role in leading United Nations system coordination on sustainable development. Focusing on national level implementation of the Rio+20 agenda, some delegations cautioned against possible fragmentation among actors and saw the need for tighter links between coordination at the national and global levels, requesting further information on how this is being addressed within the wider principle of national ownership. There was also a request for clarification on the potential roles of United Nations system organizations, in particular the United Nations Environment Programme, based on their comparative advantages and on collaboration with the international financial institutions, especially for country-level implementation.

(f) *Transition from emergency to recovery and development (special focus on South Sudan).* The Assistant Administrator, Bureau for Crisis Prevention and Recovery, UNDP, Representative of the Government of South Sudan, United Nations Resident Coordinator/UNDP Resident Representative, Sudan, led discussions on transition from emergency to recovery and development, focusing in particular on the newly founded nation of South Sudan, and the role of the United Nations, in particular UNDP, UNFPA, UNICEF and UNOPS. Delegations, welcoming South Sudan into the community of nations, recognized the immense challenges of building a new state, especially after decades of conflict, limited capacity and infrastructure and extremely low development indicators. They urged the international community, the United Nations system, United Nations Mission in South Sudan and the international financial institutions to collaborate closely to meet the legitimate expectations of the fledgling state, focusing on security, development, governance and economic growth.